

TERRENI

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November 11, 2014

The Honorable Jocelyn Boyd
Chief Clerk and Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210

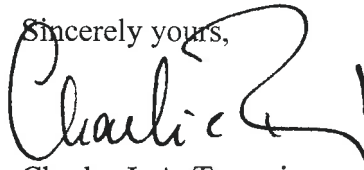
Re: Application of Carolina Water Service, Incorporated for Adjustment of Rates and Charges, and Modification of Certain Terms and Conditions for the Provision of Water and Sewer Service, Docket No. 2013-275-WS. Referendum re Possible Interconnection of Forty Love Point and Indian Fork Subdivisions with the city of Columbia for Water Distribution Service.

Dear Ms. Boyd:

With this letter, I am filing a revised letter regarding the referendum to be held among Carolina Water Service's customers of Forty Love Point and Indian Fork subdivisions. Jeff Nelson, Counsel for the Office of Regulatory Staff, and Laura Valtorta, counsel for the Forty Love Point subdivision have reviewed the revised language and do not object to the change.

With best wishes, I am,

Sincerely yours,



Charles L.A. Terreni

Enclosures: (as stated)

cc: Jeffrey M. Nelson, Esquire
Laura P. Valtorta, Esquire
Mr. Richard J. Durham
Scott Elliott, Esquire

date

Dear _____:

Last year, the Forty Love Point Homeowners Association and Carolina Water Service agreed to jointly explore the feasibility of establishing an interconnection with the City of Columbia's water system for the system serving the Forty Love Point and Indian Fork subdivisions. A report providing information on the feasibility and cost of an interconnection was filed with the Public Service Commission on _ and may be accessed at <http://dms.psc.sc.gov/matters/matters.cfc?Method=MatterDetail&MatterID=252491>.

If an interconnection with the City of Columbia's water system is established, Carolina Water Service would provide the two subdivisions with water purchased from the city instead of water drawn from local wells. In addition, Carolina Water Service would be able to provide fire hydrants to the Forty Love Point subdivision, but not for Indian Fork, because its older and smaller distribution lines cannot support fire hydrants.

The interconnection will result in an increase over what you are currently being billed for water. Your bill currently has two components: a monthly base facilities charge (currently \$12.49) and a commodity charge (currently \$4.72 per 1,000 gal.) After interconnection, your bill would have three components: the base facilities charge, a monthly distribution charge (currently \$2.71 per 1,000 gal.), and a commodity charge for the price of purchased water as set by the City of Columbia and passed through on a pro rata basis without mark up. Most customers would see an increase in their monthly bills from 30% to 50%, depending on their consumption, if the change to water distribution is made.

In order to gauge support for a possible transition to water distribution service with a purchased water supply, Carolina Water Service is holding an advisory referendum in the Forty Love Point and Indian Fork neighborhoods. Each customer account may vote in the referendum either by returning the enclosed ballot in the envelope provided, or voting online by visiting www.surveymonkey.com/r/uiwater. Please cast only one vote per customer account on or before _____. The results of the referendum will be provided to the Public Service Commission, which would ultimately have to approve a change in service. The change would likely take effect within six months of Commission approval.

Thank you for your consideration of this request, and for your participation in this referendum.

Sincerely,

Richard J. Durham
President

ADVISORY BALLOT

Should Carolina Water Service change from providing well water service to water distribution service?

YES: _____

NO _____

Customer Name: _____

Date: _____

Account No.: _____